

P R E S S R E L E A S E

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CEO No. 08-007

County Officials Continue Inspections & Enforcement on Oil Operations in Santa Barbara County Under Board's Policy Direction

Two Greka Facilities Shut Down by County Since January 15

Santa Barbara County officials have increased inspections and enforcement actions for local oil production facilities since the Board of Supervisors approved policy changes Jan. 15 to help safeguard the County against another disastrous spill like the Greka incident in December that dumped more than 58,600 gallons of unrefined crude oil onto northern county lands and riparian creek beds.

So far, four Greka-owned oil facilities have been shut down by the County, including two since the new Board policy action on Jan. 15. The multi-department team of fire, hazardous materials, petroleum and legal experts from the County has completed at least 16 on-site inspections of local land-based oil facilities and will continue making an average of two inspections per week on all oil facilities in the county.

"Flagrant violators will not be tolerated in Santa Barbara County. We will shut down any oil operator when their facilities fail to meet environmental and safety requirements," Santa Barbara County Board of Supervisors Chair Salud Carbajal said.

The latest incident that County, state and federal officials responded to occurred Jan. 29 at Greka's "Bell Lease" facility on Palmer Road in northern Santa Barbara County. This is the same problem-plagued facility that the County previously shut down Dec. 7, 2007 after emergency officials responded to a spill there that included more than 58,600 gallons of unrefined crude oil along with an unknown quantity of oil-contaminated water used in Greka's pumping operations.

Although the Palmer Road facility was not operating, County firefighters and hazardous materials experts this week found crude oil coming from a 12-inch pipe that the County previously ordered Greka Energy to repair or plug. The unrefined crude oil was coming into the pipe due to accumulated rain water in a retention basin that the County also had previously ordered Greka to cover. When County firefighters arrived on scene, neither the pipe nor the pond had been fixed by Greka according to the previously issued violation notice, County officials said.

The U.S. Environmental Protection Agency has estimated that the Jan. 29 incident involved about 8,400 gallons of unrefined crude oil and oil-contaminated water.

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“Failure to correct basic problems that continue to harm the environment and expose the public and our emergency personnel to hazardous conditions is not the way the County wants the oil industry to operate here,” said Deputy County Executive Officer Ron Cortez. Cortez is heading the multi-department County team that the Board of Supervisors tasked with increasing inspections and enforcement actions.

Cortez said the County’s stepped-up actions also include:

- Making at least two inspections per week on oil production facilities in the County.
- Conducting pre-emptive inspections on “high-risk” or previously identified problem-plagued sites prior to significant rain storms to help curtail another incident such as the Jan. 29 release at Greka.
- Exploring additional operating options, enforcement actions and possible criminal sanctions for repeat offenders or for offenders who fail to bring facilities up to code.
- Continuing to work closely with state officials from Fish and Game, state Oil and Gas and other appropriate state agencies.
- Continuing to work closely with Federal Environmental Protection Agency officials.
- Provide regular briefings for county, state and federal officials.
- Provide formal briefings to the Board of Supervisors every 60 days.
- Provide accurate and timely information to the public about County actions.

Cortez will report back to the Board of Supervisors on March 11.

The following information includes a list of incidents at Greka Facilities that County personnel have responded to so far in 2008.

Greka-related Incidents The County Has Responded To in 2008

Reported Date of Spill	Facility Name	Facility Location	Incident Summary
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Reported Date of Spill	Facility Name	Facility Location	Incident Summary
1/15/2008	Bradley 3 Island Lease	3851 Telephone Road, Santa Maria	A gas compressor failed, spraying oil onto the surrounding soil. Investigation and clean-up are pending
1/22/2008	Bradley 3 Island Lease	3851 Telephone Road, Santa Maria	Greka discovered <1 barrel of crude oil and produced water mixture on the ground at the well site #1. Source and specific cause undetermined
1/23/2008	Bradley 3 Island Lease	3851 Telephone Road, Santa Maria	Sand Pit overflowed; <1 barrel crude oil due to rain flowing from farmer's fields. Vacuum trucks on-scene removing oil/water mixture
1/24/2008	Bradley 3 Island Lease	3851 Telephone Road, Santa Maria	Tank Battery cellar filled up with crude oil and water; due to the rain, it overflowed and Greka released it into the nearby creek Facility shut down by Fire
1/24/2008	UCAL Lease	6725 Dominion Road, Santa Maria	KD spill in parking lot from 1 of 3 overflowing tanks that have no secondary containment; OMNI ponds overflowing with oil/water; injection pumps submerged under water skim ponds overflowing, as pumps couldn't keep up with the supply Facility shut in by Petroleum
1/24/2008	Bell Tank Battery Lease	3851 Palmer Road, Santa Maria	Vacuum truck removing oil from intentionally breached secondary containment to allow stormwater/oily water to flow out and subsequently into Palmer Creek; The drain in the berm surrounding the injection ponds was open, allowing storm water with a slight sheen to flow into the creek; Facility shut down by Fire
1/24/2008	Fullerton Lease	6749 Cat Canyon, Santa Maria	Berm below tank battery has washed away; safety concern only (no documented release); well cellar full of water/oil - expect spill if more rain comes
1/24/2008	Davis/Chamberlin Lease	5017 Zaca Station Road, Los Olivos	EPA notifies Fire that some oil released into creek; booms in creek are ineffective due to flow of rainwater in creek; EPA consultant placed booms at Hwy 101 sheen on water/odor of crude oil noted in area below ponds
1/25/2008	UCAL Lease	6725 Dominion Road, Santa Maria	Release from KD Aboveground tanks, leading from parking lot to Greka office

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1/25/2008	UCAL Lease	6725 Dominion Road, Santa Maria	OMNI ponds overflowing, with oil/water
1/25/2008	UCAL Lease	6725 Dominion Road, Santa Maria	Greka Skim Ponds overflowing, with oil/water
1/25/2008	Davis Tank Battery	5017 Zaca Station Road, Los Olivos	~ 3 barrels of Crude oil spill from upper tank battery area, from a transfer pump. Crews handled spill with sand bags within the secondary containment
1/25/2008	Davis Tank Battery	5017 Zaca Station Road, Los Olivos	Overflow pipe of heater treater w/in upper tank battery
1/25/2008	Fullerton Tank Battery	6749 Cat Canyon Road, Santa Maria	A spill bucket below the tank battery had been kicked over below the stairs
1/25/2008	Battles Tank Battery	1348 Battles Road, Santa Maria	Small spill on gravel pad for the northernmost crude oil tank
1/26/2008	Security Lease	6527 Dominion Road, Santa Maria	During EPA inspection, in a supposedly out of service crude oil tank, leaks of crude oil/water, were leaking out through cracks in the secondary containment. EPA concerned that the KD tanks' earthen berm would leak w/rain
1/27/2008	Bradley 3 Island Lease	3851 Telephone Road, Santa Maria	Due to storm, a power pole went down, spilling transformer oil. Personnel evacuated due to arcing power lines/loss of power. Unknown if PCB's in oil; all oil from transformer lost presumed to have gone into the creek during the rains
1/28/2008	Bradley 3 Island Lease	3851 Telephone Road, Santa Maria	F&G on-scene documenting open piping draining into creek from berm; Fire calculates ~1 gallon/minute of oil/water flowing out of bermed area into creek; directive written to stop leak

Reported Date of Spill	Facility Name	Facility Location	Incident Summary
1/28/2008	Security Lease	6527 Dominion Road, Santa Maria	Sump overflowing at piping rack area, KD leaking down road and ravine into creek
1/29/2008	Bell Tank Battery Lease	6780 Palmer Road, Santa Maria	Crude oil and contaminated water leaked from a damaged pipeline. The release flowed into a seasonal creek. Vacuum trucks dispatched to clean-up. Initial estimate is 200 bbls.

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